

Message Text

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61

ORIGIN L-03

INFO OCT-01 AF-10 ARA-16 EUR-25 NEA-10 ADP-00 EB-11 SSO-00

NSCE-00 USIE-00 CIAE-00 DODE-00 PM-07 H-03 INR-10

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15 COME-00

INT-08 SCEM-02 TRSE-00 AID-20 OPIC-12 INRE-00 /168 R

DRAFTED BY L/EB:CJPITMAN/KSO

8/3/73:EXT 21571

APPROVED BY L/EB:CJPITMAN

AF/N-MR. LANE (INFO

EB/ORF/FSE-MR. BENNSKY (INFO)

EB/IFD/OIA-MR. KENNEDY (INFO)

L/AF-MR. SPIEGEL (INFO)

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O R 032148Z AUG 73

FM SECSTATE WASHDC

TO AMEMBASSY TRIPOLI IMMEDIATE

INFO AMEMBASSY LONDON

AMEMBASSY ROME

AMEMBASSY ATHENS

AMEMBASSY BRASILIA

AMCONSUL RIO DE JANEIRO

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E.O. 11652: N/A

TAGS: ENRG, LY

SUBJECT: BUNKER HUNT NATIONALIZATION

REFS: (A) TRIPOLI 905 (B) STATE 131160

1. FOLLOWING ARE TEXTS OF (1) LETTER FROM BUNKER HUNT
REP SCHULER TO UNDERSECRETARY CASEY DATED AUGUST 2,
1973 AND (2) LETTER DATED AUGUST 3 FROM UNDERSECRETARY
TO SCHULER:

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BEGIN TEXT:

AUGUST 2, 1973

DEAR MR. CASEY:

WE MET SEVERAL WEEKS AGO TO DISCUSS THE EXPROPRIATION OF NELSON BUNKER HUNT'S INTERESTS IN LIBYA. YOU AND YOUR STAFF READILY RECOGNIZED THE ILLEGAL CHARACTER OF THE NATIONALIZATION AND THE NECESSITY FOR A FIRM REACTION BY GOVERNMENT AND INDUSTRY IF THERE WAS TO BE ANY HOPE OF AVOIDING A CHAIN OF SIMILAR ILLEGAL NATIONALIZATIONS IN LIBYA AND ELSEWHERE.

AS AN INITIAL INDICATION OF THE UNITED STATES GOVERNMENT'S DISAPPROVAL, THE AMERICAN EMBASSY IN TRIPOLI SUBMITTED A STRONGLY WORDED NOTE OUTLINING ITS LEGAL VIEWS

TO THE LIBYAN FOREIGN MINISTRY ON JULY 8TH. THIS NOTE WAS A VITAL FIRST STEP, BUT THE PRELIMINARY REACTION OF THE LIBYANS APPEARS TO CONFIRM THAT THE LIBYAN GOVERNMENT WILL NOT ACCEPT THE UNITED STATES GOVERNMENT'S VIEWS. NONETHELESS, THE NOTE LAID THE BASIS FOR REPRESENTATIONS TO THE BRAZILIAN GOVERNMENT, AND WE ARE ASKING THAT IT BE MADE THE BASIS OF PROMPT AND STRONG REPRESENTATIONS OR NOTES TO THE GOVERNMENTS OF ITALY, GREECE, THE U.S.S.R. AND BULGARIA, ALL OF WHICH ARE INVOLVED IN THE PURCHASE OF THE ILLEGALLY EXPROPRIATED OIL.

ON OUR PART, HUNT AND BP HAVE INITIATED SUITS IN BRAZIL, ITALY AND GREECE. WE ALSO INTEND, IN THE VERY NEAR FUTURE TO BRING SUIT IN UNITED STATES COURTS AGAINST AMERICAN PURCHASERS OF SARIR CRUDE OIL. IN CONNECTION WITH THESE SUITS OR POSSIBLE INFORMAL APPROACHES PRIOR THERETO, WE INTEND TO MAKE REFERENCE TO THE UNITED STATES GOVERNMENT'S VIEW OF THE ILLEGALITY OF THE LIBYAN NATIONALIZATION, AND WE BELIEVE THAT OUR POSITION WOULD BE VASTLY STRENGTHENED IF WE HAD THE TEXT AVAILABLE TO SELECTED KEY EXECUTIVES OF THE OTHER COMPANIES OPERATING IN LIBYA IN ORDER TO ASSURE THEM OF LIMITED OFFICIAL USE

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THE UNITED STATES GOVERNMENT'S INTEREST AND WILLINGNESS TO SUPPORT COMPANIES WHICH ARE ILLEGALLY EXPROPRIATED. WE HAVE NOT PREVIOUSLY PRESSED FOR THE TEXT OF THE NOTE BECAUSE WE HAVE APPRECIATED THE DEPARTMENT'S DESIRE TO GIVE THE LIBYANS A SUITABLE TIME TO RESPOND EVEN THOUGH NO RESPONSE IS REALISTICALLY EXPECTED; HOWEVER, WE NOW BELIEVE THAT THE TIMING OF RELEASE MUST BE REEVALUATED AGAINST THE THREAT MADE YESTERDAY BY THE LIBYAN PRIME

MINISTER TO NATIONALIZE THE REMAINING U.S. COMPANIES
UNLESS THEY AGREE TO UNACCEPTABLE LIBYAN DEMANDS BY
AUGUST 15TH. IT IS AT LEAST POSSIBLE THAT THE LIBYANS
WILL RECONSIDER THEIR BELIEF THAT THEY CAN MARKET
EXPROPRIATED OIL WITHOUT SERIOUS IMPEDIMENT, IN WHICH
CASE THEY MAY BACK-OFF THEIR THREAT. WE THEREFORE SEEK
YOUR APPROVAL FOR IMMEDIATE RELEASE OF THE NOTE TO US.

IN CLOSING, LET ME EXPRESS ONCE AGAIN OUR
APPRECIATION FOR THE COOPERATION WE HAVE RECEIVED FROM ALL
THE VARIOUS OFFICES INVOLVED IN THIS MATTER. IN THE
COURSE OF RECENT DISCUSSIONS, I HAVE ACQUAINTED SEVERAL
OF THOSE OFFICES WITH THIS REQUEST.

SINCERELY YOURS,

SIGNED SCHULER

END TEXT

BEGIN TEXT:

AUGUST 3, 1973

DEAR MR. SCHULER:

I AM WRITING IN RESPONSE TO YOUR LETTER OF
AUGUST 2, 1973 REGARDING THE NATIONALIZATION ON JUNE 11,
1973 OF NELSON BUNKER HUNT'S RIGHTS AND PROPERTY IN
LIBYA. IN YOUR LETTER, YOU REQUESTED ME TO APPROVE THE
RELEASE OF THE TEXT OF A DIPLOMATIC NOTE TRANSMITTED BY
THE U.S. GOVERNMENT TO THE GOVERNMENT OF THE LIBYAN
ARAB REPUBLIC ON JULY 8, 1973, WHICH CONTAINED OUR
POSITION WITH RESPECT TO THE JUNE 11 NATIONALIZATION AND,
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FURTHER, THAT THIS GOVERNMENT MAKE REPRESENTATIONS TO
CERTAIN GOVERNMENTS WHICH ARE UNDERSTOOD TO BE INVOLVED
IN PURCHASING OIL FROM NELSON BUNKER HUNT'S NATIONALIZED
CONCESSION IN LIBYA.

WE HAVE REQUESTED OUR EMBASSY IN TRIPOLI TO
FORWARD TO US AS SOON AS POSSIBLE CERTIFIED COPIES OF
THE NOTE MENTIONED ABOVE IN BOTH ENGLISH AND ARABIC. IN
THE INTERIM, I AM ENCLOSING THE TEXT OF THE SUBSTANCE
OF THE NOTE AND WILL PROVIDE YOU WITH CERTIFIED COPIES
OF THE COMPLETE TEXTS AS SOON AS THEY ARE AVAILABLE.
WE HAVE NO OBJECTION TO YOUR USING THIS NOTE IN CON-
NECTION WITH ANY PENDING OR PROPOSED LITIGATION OR IN
ANY OTHER WAY APPROPRIATE TO THE ASSERTION OF YOUR LEGAL
RIGHTS TO THE NATIONALIZED PROPERTY.

THE DEPARTMENT IS ALSO PREPARED TO GIVE SYMPATHETIC
CONSIDERATION TO APPROPRIATE DIPLOMATIC REPRESENTATIVES
TO ANY GOVERNMENT CONCERNED WHERE THERE IS EVIDENCE THAT
THE GOVERNMENT OR ANY AGENCY UNDER ITS CONTROL HAS
PURCHASED OR INTENDS TO PURCHASE OR OTHERWISE HANDLE OIL
FROM THE NATIONALIZED SARIR FIELD.

SINCERELY,

ENCLOSURE

SIGNED CASEY

END TEXT. ROGERS

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Message Attributes

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Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
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Disposition Reason:
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